LNF & IHCIF Calculations Illustration

- INDIAN HLH C in California area -

Given Data

- 4,363 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 129.1% = Cost index for purchasing health care in this geographic area
- 114.6% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- $1,731 per person for purchased services = 45% * 129.1% * $2,980
- $1,878 per person for in-house services = 55% * 114.6% * $2,980
- $3,610 per person total = $1,731 (purchase) + $1,878 (in-house)
- **$3,463 per person total** adjusted for health status = $3,610 * 95.9%
- **$2,718 per person net cost** = $3,463 - $745 Other resources (M&M&PI)

Existing Expenditures (for 4,363 users excluding wrap-around and collections)

- $1,178 per person = local IHS allowance (excludes $ for wrap-around)
- $222 per person = expenditures elsewhere in California area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,454 per person for OU users** = $1,178 + $222 + $54

LNF Calculation

- **42.0% Gross LNF** = $1,454 (expenditures) / $3,463 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **53.5% Net LNF** = $1,454 / $2,718 net cost ($3,463 - $745 other)

IHCIF Allocation

- $771,520 = $ to raise LNF% from 53.5% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$26,911 Allocation** = $771,520 needed for 60% * 3.488% IHCIF fraction

INDIAN HLH C Unmet Needs

- **$11,858,256 Net Total Need** = 4,363 users * $2,718 net cost
- **$5,514,823 Net Unmet Need** = (100% - 53.5% LNF) * 4,363 users * $2,718 net cost